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JAN 23 1984
ALEXANDER L. STEVAS
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Case No. 83-760

Supreme Court of the United States

OCTOBER TERM 1983

In re WILCO MARSH BUGGIES & DRAGLINES, INC., JOHN M. WILSON, SR., DEAN R. WILSON, AND ROBERT J. WILSON, JR.,

Petitioners.

ON PETITION FOR ISSUANCE OF WRITS OF MANDAMUS AND PROHIBITION TO REQUIRE THE JUDGES OF THE COURT OF APPEALS FOR THE FIFTH CIRCUIT TO STAY WITHIN THE CONFINES OF THEIR APPELLATE JURISDICTION AND TRANSFER APPEAL NO. 82-3619 TO THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT.

PETITIONERS' REPLY TO RESPONDENTS' OPPOSITION TO PETITION FOR WRITS OF MANDAMUS AND PROHIBITION

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I.

A SPLIT OF DECISIONS BETWEEN THE CIRCUITS: THE CAFC HAS ANNOUNCED THAT IT HAS JURISDICTION

Subsection II E. of Petitioners' main brief entitled "Adverse Impact on Pending and Decided Cases" details a number of cases on appeal to the United States Court of Appeals for the Federal Circuit (hereinafter "CAFC") which, for purposes of jurisdiction, are similar to Appeal No. 82-3619. Appeal No. 82-3619 is, of course, the appellate case which Petitioners seek to

have transferred to the CAFC from the United States Court of Appeals for the Fifth Circuit (hereinafter "Fifth Circuit"). Of the CAFC cases discussed in Subsection II E were four cases which, for purposes of jurisdiction, were identical to Appeal No. 82-3619.[1] Each of those four appellate cases was an appeal to the CAFC noticed after October 1, 1982, from a district court decision awarding damages for patent infringement. In each instance, the proceedings had been bifurcated and a previous decision holding the patents valid and infringed had been rendered by a regional circuit court of appeals in an appellate case in which a notice of appeal was filed sometime prior to October 1, 1982.

Respondents have criticized Petitioners' reference to those cases on the basis that none of the CAFC opinions expressly refer to the question of jurisdiction. However, one of those four CAFC cases was *Central Soya Co.* v. *Geo. A. Hormel & Co.*, CAFC Appeal No. 83-978. When Petitioners' brief was filed, that case had not yet been decided by the CAFC. On December 27, 1983, the CAFC rendered its decision and *sua sponte* announced that it possessed the necessary jurisdiction to do so. At page 13 of the slip opinion, the CAFC stated:

> Procedurally, we note why this appeal did not return to the Tenth Circuit. This case was bifurcated as between liability and damages. The first appeal took place prior to October 1, 1982, the effective date of the law establishing this court. *Federal Courts Improvement Act of 1982*, Pub. L. 97-164, 96 Stat. §§ 402, 403(e). The present appeal, on damages,

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[1] Of the four, three appeals were decided by the CAFC and include *Bandag, Inc.* v. *Gerrard Tire Co.*, 704 F.2d 1578, 217 U.S.P.Q. 977 (CAFC 1983); *Lam, Inc.* v. *Johns-Manville Corp.* (CAFC Appeal No. 83-776; Slip opinion dated September 30, 1983); and *Hanson* v. *Alpine Valley Ski Area, Inc.* (CAFC Appeal No. 83-586; Slip opinion dated October 6, 1983). The fourth appeal pending before the CAFC was *Central Soya Co.* v. *Geo. A. Hormel & Co.* (CAFC Appeal No. 83-978).

was filed after the effective date. Thus, we now have exclusive subject matter jurisdiction of the case. *Id.*, § 127(a), amending 28 USC 1295.

A direct conflict between the CAFC and the Fifth Circuit now expressly exists. This conflict is centered on the fundamental question of which of two possible appellate tribunals has subject matter jurisdiction of a patent appeal filed after October 1, 1982. Petitioners agree with the simple and straightforward position taken by the CAFC and respectfully request that this Court adopt the CAFC's position and order Appeal No. 82-3619 transferred to the CAFC.

II.

FORUM SHOPPING WILL BE ELIMINATED BY THE CAFC POSITION BUT CONTINUE UNDER THE FIFTH CIRCUIT POSITION

Respondents suggest that Petitioners are forum shopping between the Fifth Circuit and the CAFC, and that the Fifth Circuit decision will somehow eliminate forum shopping "inasmuch as all of the cases which are covered by Section 403(e) have already been filed and were pending on appeal in the regional courts of appeal by the effective date of the 1982 Act." (Respondents' Brief, page 5). Petitioners disagree.

At the outset, let there be no mistake. In every instance, the appeal in issue, such as Appeal No. 82-3619, is a second or subsequent appeal in which the notice of appeal was filed after October 1, 1982, the effective date of the 1982 Act. Petitioners are not seeking to transfer any appellate case or suggesting that any such case could be transferred in which the notice of appeal for the appeal in issue was filed before October 1, 1982.

One of Congress' stated objectives in enacting the 1982 Act was the elimination of forum shopping in patent appeals. By adopting the CAFC's position, this objective will be accomplished. The only question to be answered in determining the

proper appellate forum is whether the notice of appeal for the appeal in issue was filed after October 1, 1982. If so, then the CAFC has exclusive jurisdiction. *See* Section 402. If not, then the respective regional circuit court of appeals has exclusive jurisdiction. *See* Section 403(e).

However, if the Fifth Circuit's position is adopted, then the potential appellant will be in a position to forum shop between the CAFC and a regional circuit court of appeals where a first notice of appeal was filed prior to October 1, 1982 though not presently in issue. Applying the Fifth Circuit's position, a regional circuit court of appeals retains jurisdiction if a prior appeal (though not the one in issue) in which a first notice of appeal was filed before October 1, 1982 decided "controlling issues" or if the "scope" of that prior appellate decision would "potentially" be implicated in a second or subsequent appeal filed after October 1, 1982, or if the second or subsequent appeal is part of the same "judicial unit" as the prior appellate decision.

On the basis of the Fifth Circuit's decision, forum shopping opportunities would only be limited by the ingenuity of the potential appellant's counsel. If counsel for the potential appellant believed that a regional appellate court would be more favorable to his position, then, following the Fifth Circuit's analysis, counsel would characterize his arguments to implicate "controlling issues" or the "scope" of a prior appellate decision by that regional circuit court. If counsel for the potential appellant believed that the CAFC would accord more favorable treatment, then counsel would characterize his arguments so as not to implicate previously determined "controlling issues" or the "scope" of a prior appellate court decision or avoid raising arguments which would so implicate a prior regional appellate court decision. However, by adopting Petitioners' and the CAFC's position, all such forum shopping would come to an end as of October 1, 1982 as intended by Congress. As indicated, applying Petitioners' and the CAFC's position, the only inquiry which

determines the proper forum for review is when the notice of appeal is filed. If, as here, the notice of appeal is filed after October 1, 1982, then, regardless of any prior appeals, the appeal in issue falls within the exclusive jurisdiction of the CAFC.

III.

ADVERSE IMPACT ON PENDING AND DECIDED CASES REVISITED: THE CAFC SUSPENDS ONE APPEAL PENDING OUTCOME OF THIS COURT'S DECISION

In Section II E of the main brief, Petitioners refer to the many pending and decided cases which will be affected by resolution of the jurisdictional question presented to this Court. In addition to those recited, two other cases have been brought to the attention of Petitioners' counsel. The first is *Williams Patent Crusher & Pulverizer Co.* v. *Saturn Manufacturing, Inc.*, CAFC Appeal No. 84-733 docketed January 4, 1984. In that case, the United States Court of Appeals for the Eighth Circuit (hereinafter "Eighth Circuit") in a decision dated July 27, 1983, affirmed the district court's judgment entered after a jury trial finding the patent in issue valid and infringed and assessing damages in the amount of $115,000.00, but, under authority of this Court's decision in *General Motors Corp.* v. *Devex*, ... U.S. ...., 76 L.Ed.2d 211 (1983), reversed that district court's refusal to award prejudgment interest or increase damages under 35 U.S.C. §284 and remanded "for further consideration under the standards announced in *Devex*." *Saturn Manufacturing, Inc.* v. *Williams Patent Crusher & Pulverizer Co., et al.*, Eighth Circuit Appeal Nos. 81-2390, 2442, Slip opinion dated July 27, 1983, at 20. On remand, the district court, in a decision dated December 6, 1983, awarded prejudgment interest and treble damages. Thereafter, Williams Patent Crusher & Pulverizer Co. et al. appealed to the CAFC. Counsel for appellee before the CAFC has indicated an intention to file a motion to transfer

CAFC Appeal No. 84-733 to the Eighth Circuit. If the Fifth Circuit's view of jurisdiction is correct, then the CAFC does not have jurisdiction.

The second case is *Devex* v. *General Motors Corp.*, CAFC Appeal Nos. 84-524, 544 and 580, and United States Court of Appeals for the Third Circuit (hereinafter "Third Circuit") Appeal Nos. 83-1770, 1771 and 1779, and 84-5003 and 5011. This, of course, is a continuation of the same *Devex* case cited above which was decided by this Court on May 24, 1983, with regard to the question of prejudgment interest under 35 U.S.C. §284. On remand, the district court, pursuant to instructions from the Third Circuit, also awarded post-judgment interest. Appellant and appellee disagree with the amount of post-judgment interest awarded and the method of calculating that interest. Out of an abundance of caution, the *Devex* appellants have filed notices of appeal with both the CAFC and the Third Circuit and sought stays of both appeals. The CAFC has suspended all proceedings pending the outcome of this Court's decision on the present petition.

As is apparent from the litany of cases cited by Petitioners in their main brief and in this reply, resolution of the jurisdictional issue presented to this Court is essential to the orderly disposition of numerous appellate cases which are now pending or may be pending in the near future.

IV.

CONCLUSION: CONFLICT BETWEEN THE CIRCUITS SHOULD BE RESOLVED IN FAVOR OF THE POSITION ADOPTED BY THE CAFC AND REQUESTED BY PETITIONERS

A conflict between the circuit courts of appeals now exists. Petitioners respectfully request that this conflict be resolved in favor of the position taken by the CAFC and that this Court direct the Fifth Circuit to transfer Appeal No. 82-3619 to the CAFC pursuant to the terms of 28 U.S.C. §1631.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that three true and correct copies of the foregoing Petition and Brief on Behalf of Petitioners have been forwarded by depositing the same with the United States Postal Service for delivery by first class mail on this ..... day of January, 1984, to all necessary parties to this proceeding, including the following:

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